

EX PARTE OR LATE FILED

90-314



Jay C. Keithley
Vice President
Law and External Affairs
United Telephone Companies

Robert M. Pepper, Chief
Office of Plans and Policy
Federal Communications Commission
1919 M Street, NW, Room 822
Washington, DC 20554

Dear Bob:

This letter follows up on our recent meeting during which Sprint Cellular expressed its concern that the Commission's PCS eligibility rules needlessly exclude geographically dispersed cellular carriers from participating in markets where they have no market influence. Sprint believes this inequity can be remedied if the Commission modifies the PCS POP overlap standard to 20 percent, and applies a simple attribution formula. This change will more accurately reflect carriers' market presence but will not allow geographically concentrated carriers to exert undue market influence.

In addition, as you requested, Sprint Cellular is providing responses to the following questions that you and Greg Rosston raised during our recent meeting:

1) Why is there so little activity in the secondary cellular market for the sale and/or transfer of minority partnership interests?

2) How are Metropolitan Statistical Areas ("MSA") configured within the Metropolitan Trading Areas ("MTA"), specifically in the Columbus, Ohio and Chicago, Illinois MTAs?

1. There are three primary reasons for the lack of market activity in minority partnership interests:

a. Lack of control of the minority partner creates a market perception that such interests are not "liquid" or readily transferred at levels acceptable to shareholders.

A recent Forbes magazine article (April 11, 1994, pp. 98-99) notes that minority shares of privately-held companies typically are discounted by 25%-40% from the appraised value of the property as a whole. Moreover, a Wall Street investment firm recently examined 68 assorted minority interest market transactions, including cellular transactions, conducted between 1988 and

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1992. Each transaction analyzed was valued at \$5 million or more. The investment firm found that the average minority interest "squeeze out" or discount was 34.6%.

On the other hand, the average premium paid for majority control positions during the same period on 735 assorted transactions, again including cellular transactions, was 57.1%. Each of the 735 transactions analyzed was valued at \$10 million or more. In determining the market value of both the minority and majority sale transactions, the firm used a discounted cash flow analysis.

b. Most cellular partnership agreements provide first right of refusal options.

Minority limited partners often find that they cannot negotiate freely or in a timely fashion with non-affiliated parties because majority partners potentially can delay any transaction.

c. Limited cash flow.

Although some cellular systems are beginning to pay dividends, most remain a cash drain for their investors. A minority partner in a cellular partnership that makes "cash calls" but does not pay dividends will not find a ready market for its non-controlling interest.

2. Submitted as Attachment A is a chart that identifies MSA populations within MTAs located within the continental United States.

The first four columns identify the MTA by name, number and population and indicate whether the MTA includes any of the top 30 MSAs. Columns 5-9 show the percentage of the MSA POP by market size in the MTA. Column 5 shows the percentage overlap between the MTA and the 30 largest MSAs, Column 6 shows the percentage overlap between the MTA and the 60 largest MSAs and so on. For example, in the Atlanta MTA, 65.4% of the MTA POP is made up of MSA locations, 38.4% are top 30 MSA markets, but none of the second thirty largest MSAs are in the MTA. While the results vary significantly among the MTAs, the document shows that, on average, for the 47 MTAs listed, 76.4% of an MTA is made up of MSA markets.

Regarding the Chicago and Columbus MTAs, Columbus presents the most problematical situation for Sprint Cellular. Under the current rules (20% ownership attribution and 10% population overlap) Sprint Cellular is ineligible to bid in the Columbus MTA even though it has no MSA POP overlap in the MTA. Sprint Cellular's controlling interest in two Ohio RSAs, Ohio RSA 5 and 6, creates a 12.49% POP overlap and, under the rules, prevents it from providing PCS service in the Columbus MSA/MTA.

In Chicago, controlling interests in MSAs far removed from the Chicago metropolitan area (Peoria, IL -- MSA 103, South Bend, IN -- MSA 129, Elkhart, IN -- MSA 223), minority interests in an MSA far removed from Chicago (25% ownership of the Ft. Wayne, IN MSA B-

Robert M. Pepper, Chief
May 25, 1994
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side license) a majority ownership of IN RSA-2, and a minority interest in IN RSA-3 combine to give Sprint Cellular a 13.16% POP overlap and, under the Commission's rules, prevent Sprint from competing for PCS spectrum in the greater Chicago metropolitan area.

These results demonstrate that the Commission's eligibility rules have an unintended negative impact on geographically dispersed cellular carriers such as Sprint. Sprint recognizes the Commission's legitimate concern with incumbent cellular providers exercising undue market power with regard to the licensing of PCS. However, the Commission's rules, in Sprint's view, are overbroad, and exclude cellular carriers that under no recognized competitive measure exert market power in the PCS markets at issue. A 20% ownership interest in a cellular license does not create a controlling interest, and, more important, a 10% population overlap in an MTA does not remotely constitute market power. We urge the Commission to adopt Sprint's proportionate interest test, which more fairly and accurately represents a carrier's actual market presence.

We are attaching for your convenience a copy of Sprint Cellular's Petition for Reconsideration in this matter. The attachment to the Petition shows the impact of Sprint's proportionate interest test on the larger cellular providers. Please call if you have additional questions.

Sincerely,



Jay C. Keithley
Vice President
Law and External Affairs

Attachments

cc: William F. Caton, Secretary
Ralph A. Haller
Gerald P. Vaughan
Karen Brinkman
Rudolfo Lujan Baca
Thomas P. Stanley
Gregory Rosston
Donald H. Gips
Byron F. Marchant
David R. Siddall
Jane E. Mago
Gregory J. Vogt

MBA Population

Percent of MFA Population

[illegible]

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DEC 8 1993

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Amendment of the Commission's)
Rules to Establish New Personal)
Communications Services)

GEN Docket No. 90-314
RM-7140, RM-7175,
RM-7618

PETITION FOR RECONSIDERATION AND CLARIFICATION

Respectfully submitted,

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Its Attorneys

December 8, 1993

SUMMARY

Sprint asserts that the Commission, because of the speed required to meet statutorily imposed PCS licensing deadlines, inadvertently created a cellular carrier exclusion that has serious negative disparate impact upon geographically dispersed cellular carriers like Sprint and US Cellular. The Commission must modify its PCS POP overlap standard to 20 percent to rectify this problem. Modification of the cellular exclusion will not have negative consequences and will not allow the geographically concentrated RBOCs, GTE or McCaw to exert market power to a greater degree.

Existing cellular carriers that receive PCS licenses should be allowed to count their existing cellular coverage toward their required PCS deployment. This will avoid the uneconomic construction of redundant systems.

PCS transmitter power limits do not facilitate newer technologies. The power limits must be 1600 watts (e.i.r.p.) to foster the use of newer transmitter technologies that PCS requires.

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of)	
)	GEN. Docket No. 90-314
Amendment of the Commission's)	
Rules to Establish New Personal)	RM-7140, RM-7175,
Communications Services)	RM-7618

PETITION FOR RECONSIDERATION AND CLARIFICATION

Sprint Corporation ("Sprint"), on behalf of Sprint Cellular Company, Sprint Communications Company, L.P., and the United and Central Telephone companies, pursuant to Commission Rule 1.429, 47 CFR 1.429, respectfully files its petition for reconsideration and clarification in the above referenced proceedings.¹

Sprint seeks reconsideration of the eligibility requirements,² the construction requirements,³ and the PCS transmitter power limits⁴ set forth in the Allocation Order.

1. In the Matter of Amendment of the Commission's Rules to Establish New Personal Communications Services, GEN Docket No. 90-314, RM-7140, RM-7175, RM-7618, Second Report and Order, released October 22, 1993 ("Allocation Order").

2. Id. at paras. 97-111.

3. Id. at paras. 132-134.

4. Id. at para. 156.

**I. CELLULAR CARRIER ELIGIBILITY STANDARDS MUST
BE MODIFIED TO REDUCE THE DISPARATE
NEGATIVE IMPACT UPON GEOGRAPHICALLY
DISPERSED CARRIERS AND THOSE
HOLDING NONCONTROLLING OWNERSHIP**

**A. Cellular Carriers Must Be Allowed a 20 Percent POP PCS
Overlap.**

The Commission has determined that cellular carriers with "significant overlap" of their existing cellular service areas and PCS license areas should be limited to a license of one 10 MHz block of spectrum. The standard for a "significant overlap" is "when 10 or more percent of the population of a PCS service area (MTA or BTA) is within the cellular system's existing coverage area (i.e., the CGSA)."⁵

Sprint does not quarrel with the basic premise that it believes is behind the Commission's eligibility standard. Sprint believes this premise to be that cellular carriers with significant market power should be precluded from obtaining more than 10 MHz of spectrum for PCS in their cellular service areas. Sprint asserts, however, that the Commission must reconsider what level of overlap of cellular and PCS service areas raise market power concerns. Sprint asserts that the Commission has established a market concentration standard that precludes many cellular providers from offering a robust PCS service in areas where they lack market concentration that could lead to market power.

5. Id. at para. 105.

The service areas of cellular providers differ widely. In general, three types of cellular providers have emerged. First are the RBOCs with region-wide concentrations of cellular licenses. These large contiguous license areas provide near region-wide coverage by single licensees, and because of this concentration, are more likely to result in market power being held by the licensee. Second are large cellular providers with scattered properties having high levels of overlap of existing cellular and designated PCS service areas and populations. McCaw and GTE generally fall within this category. Third are those geographically dispersed cellular carriers that lack, in many of the MTA PCS service areas, high levels of overlap between cellular customers and potential PCS customers. Sprint, US Cellular ("TDS"), AllTel and Century, along with several small cellular carriers, generally fall within this category.

Sprint believes that the Commission, in its attempt to restrain the potential market power of the geographically concentrated RBOC cellular affiliates and the more widespread but similarly situated McCaw and GTE operations,⁶ has crafted a cellular exclusion that inadvertently applies to cellular carriers like Sprint, TDS and AllTel. Because of the geographic dispersion of their cellular licenses, carriers like Sprint, TDS and AllTel lack market dominance characteristics in most of the MTAs where they provide PCS and cellular service.

6. McCaw and GTE are very large cellular companies with high levels of PCS/MTA and Cellular customer overlap.

Sprint asserts that the Commission must reconsider its cellular exclusion when a 10 percent PCS/cellular overlap occurs and replace it with a 20 percent overlap standard. This change will be much more equitable to geographically dispersed cellular providers that serve primarily smaller markets and generally lack market power. These cellular providers will be able to participate more fully in PCS while the potential market power of the larger and more geographically concentrated RBOCs, GTE and McCaw will be held in check.

Sprint has calculated the number of MTA markets each of the major cellular carriers will be excluded from under the Commission's proposed rules. Attachment A shows this data. As shown on Attachment A, Sprint will be excluded from 14⁷ MTA markets and TDS will be excluded from 20 while several carriers of comparable size or larger will be excluded from significantly fewer markets. For example, NYNEX is excluded from only three MTAs, PacTel from 9, Bell Atlantic 8, and Ameritech 7.

7. Sprint has calculated these exclusions by assigning every MSA/RSA to a MTA market. In reality, there are a number of RSAs which are split between various MTAs. For example, Sprint's Kansas 15 RSA is split between three different MTAs. Sprint has identified these markets and has calculated assignment of its holdings in these markets. This assignment process yielded materially accurate results for Sprint's holdings and we believe results in materially correct answers for all major cellular players. The confidence level is even greater for the RBOCs and McCaw because the predominance of their holdings are MSAs which do correlate to MTAs on a one to one basis.

Because of this concentration, the RBOCs are much less limited in their PCS MTA opportunities than the geographically dispersed carriers that lack high levels of concentration and serve smaller markets. As a consequence, the Commission's cellular exclusion has an unintended and overwhelmingly negative impact on the opportunities of the geographically dispersed mid-size and small cellular carriers that are excluded from a disproportionate number of PCS MTA service areas. The irony of the inequity lies in the fact that it is the geographically concentrated carriers that have the potential to create and exert region-wide market power. Restraints upon the effects of the entry of these geographically concentrated cellular carriers into PCS in their majority controlled overlapping MTAs are appropriate. In contrast, the geographically dispersed cellular carriers lack this opportunity for market power and the restrictions applied to the geographically concentrated carriers are inappropriate for these dispersed carriers.

The MTAs from which the geographically dispersed cellular carriers like Sprint and US Cellular are currently excluded would be reduced dramatically through the proposed change in cellular exclusion overlap from 10 percent of the MTA population to 20 percent of the MTA population. In comparison, the geographically concentrated carriers are not affected to a large degree.

Further, a 20 percent overlap still fails to raise the level of concentration to the point where market power can be exerted.⁸ Thus, the proposed change has no negative consequences.

Attachment A also shows the effect of changing the current 10 percent overlap standard to the 20 percent standard that Sprint proposes. As this data indicates, the MTA eligibility of the RBOCs, GTE, and McCaw, would change only minimally. In fact the exclusions cited above for NYNEX, PacTel, Bell Atlantic and Ameritech would not change. In contrast, the eligibility of the smaller, more geographically dispersed carriers would change dramatically, resulting in more equitable opportunities for these carriers. Sprint's exclusion from 16 MTAs would be reduced to eight, TDS' exclusion from 20 MTAs would be reduced to only nine, and AllTel's exclusion from eight MTAs would be reduced to four.

Therefore, Sprint strongly recommends that the Commission reconsider its cellular exclusion and make the modification de-

8. For example, Sprint provides cellular service in the Ohio 5 RSA and Ohio 6 RSA, both of which are in the Columbus, Ohio MTA. Through its ownership interest in these two largely rural areas, Sprint cannot exert market power in the Columbus, Ohio MTA. Nevertheless, as shown below the Commission's rule would exclude Sprint from the Columbus, Ohio MTA:

Cellular Market	Sprint Ownership	Attributed POPs	% of Columbus MTA (2,144,200 POPs)
MSA Columbus	1.2%	0	N/A
RSA Ohio-5	57.5%	64,274	3.00%
RSA Ohio-6	80.0%	203,522	<u>9.49%</u>
Total			12.49%
FCC Eligibility Test			<u>10.00%</u>
Percent Over			2.49%

scribed above. This action will promote the ability of geographically dispersed cellular carriers like TDS, AllTel and Sprint to compete more broadly in MTAs where they have minor overlaps yet lack market power. Further, this change would continue to effectively control the market power of the RBOCs, GTE and McCaw with their more significant, geographically concentrated holdings.

**B. Noncontrolling Interests in Cellular Licenses
Should Not Reduce PCS Eligibility.**

Sprint seeks reconsideration of the Commission's decision to exclude from PCS bidding, for all but 10 MHz licenses, those holding cellular ownership interests of 20 percent and over in overlap cellular operations. Sprint asserts that the Commission's standard is overly restrictive and that it unfairly penalizes those that own noncontrolling minority interests in overlap cellular operations.

The Commission notes that its decision has harsh consequences:

We recognize that this approach may restrict the opportunities of certain investors in cellular licenses to participate in PCS even if they have no meaningful involvement in the management of the cellular system and thus cannot influence its actions (e.g., "insulated" limited partners or non-voting shareholders with 20 percent or more interest.)⁹

The Commission claims that parties with a 20 percent or more interest in cellular carriers, or an attributed interest in

9. Attribution Order at para. 108.

multiple cellular carriers that rise to this level, that also have a 10 percent or greater overlap with PCS service areas, must be precluded from wide participation in PCS for the purpose of "ensuring that cellular operators do not exert undue market power."¹⁰

Market power is the ability of a firm to maintain prices above competitive levels and to restrict market entry by others. The Commission's restrictions on minority, noncontrolling owners of cellular properties does little if anything to control market power. Rather, its only impact is to keep viable competitors, those holding noncontrolling ownership in cellular systems, out of many PCS service areas by prohibiting their full participation in PCS at the MTA level.

Minority owners that do not have control of a cellular company, have no ability to exert market power.¹¹ As the Commission recognizes they lack "meaningful involvement in the management of the cellular system and thus cannot influence its actions."¹² Because the minority owner cannot influence the actions of the

10. Id. at paras. 107-108.

11. For example, Sprint's 20% minority ownership in the Kansas City MSA does not allow it to exert market power in the Kansas City MTA. Southwestern Bell, who owns the remaining 80% of this MSA, holds any market power that may exist because they control every facet of the management of this market, including the name under which these services are sold. Yet the Commission's proposed exclusion rules preclude Sprint, because of this 20% noncontrolling interest, from participating in the Kansas City MTA.

12. Id. at para. 108.

cellular carrier, then by definition, the minority owner lacks market power. Thus, the Commission has created a scheme that proscribes full participation in PCS by minority owners of cellular licenses even though these partners, by the Commission's own findings, lack market power.

The Commission attempts to justify this harsh action by claiming that "detailed attribution/insulation standards, such as our broadcast attribution rules, would unnecessarily complicate licensing procedures and delay introduction of service to the detriment of the public."¹³ Sprint does not believe that expediency ever justifies the creation of such a discriminatory and unreasonable system. The Commission should correct this problem by adopting a standard that is better suited to control of market power. It is clear that the current rules fail in this respect because noncontrolling minority cellular license owners lack market power.

A superior proposal to identify and control ownership concentration in PCS/cellular overlap areas was previously offered by Sprint.¹⁴ As an acceptable concentration standard, Sprint urged a 30 percent attributed POP overlap. This would be calculated by multiplying the POPs in the overlap area by the percent ownership and comparing this to the total POPs in the PCS license

13. Id.

14. Sprint comments, GEN Docket No. 90-314, November 9, 1992 at 12.

area. As Sprint explains above, the overlap in POPs should be at least 20 percent so that geographically dispersed cellular carriers are not inadvertently penalized.

Under the current rules, in PCS/cellular overlap areas, the allowable concentration for cellular carrier's participation in PCS at the MTA level requires less than 10 percent service area overlap and less than 20 percent ownership. This standard equals less than two percent attributed POP concentration.¹⁵ Clearly, this level of concentration is so low that it does not come near the level where market power could occur. In fact, the Commission allows anything less than 20 percent ownership in cellular systems with 100 percent overlap without further investigation. A cellular carrier could own nearly 20 percent of every county in an MTA and could have management control of the cellular provider throughout the market yet still be allowed to participate in a 30 MHz PCS license.

Sprint asserts that the Commission, in its haste to meet statutorily imposed implementation dates, has unwittingly created an arbitrary and capricious PCS licensing scheme because a cellular system owner with less than two percent of the POP concentration in a PCS service area is excluded from full PCS participation while another with nearly 20 percent is allowed full participation.

15. Ten percent overlap times 20 percent ownership equals two percent attributed POP concentration.

The Commission can easily remedy this discrepancy by adopting Sprint's proportional interest calculation methodology. As Sprint indicated above, the allowable overlap should be increased to 20 percent of the POPs. The Commission has already adopted this as its de facto minority ownership standard because it permits "parties with an interest of less than 20 percent in a cellular entity to hold PCS licenses."¹⁶

This 20 percent standard could easily be adopted for all overlap purposes. For example, when a firm owns 100 percent of a cellular carrier, an overlap of anything less than 20 percent of the POPs would be allowed. When a firm is a minority owner, anything less than 20 percent interest would not be viewed as undue concentration. When a firm owns more than 20 percent of a cellular license, if the ownership interest multiplied by the POPs is less than 20 percent of the POPs in the overlap area, undue concentration would not be deemed to occur.

This standard would be easy to administer, and it would apply the same prohibitions on concentration to all cellular providers, no matter what their form of ownership. This would remove the discriminatory impact of the current rules that in one circumstance prohibit a two percent ownership interest and in another allow a near 20 percent ownership interest.

16. Allocation Order at para. 107.

Sprint strongly recommends that the Commission reconsider its decision and adopt a standard 20 percent POP overlap ownership concentration limitation for all purposes.

C. Clarification of the Commission's Cellular Attribution Rules Is Needed.

The Commission states that in "determining whether an entity complies with our aggregation limit, all PCS ownership interests of 5 percent or more will be attributed to the holder of such interest."¹⁷ The Commission stated in connection with this pronouncement:

For example, an entity could not have an ownership interest of 5 percent or more in PCS licenses that combined are licensed more than 40 MHz in a single service area, but could have up to full ownership interest in one licensee with 40 MHz and at the same time hold an interest of less than 5 percent in other PCS licensees in the same service area.¹⁸

The question that arises, and for which Sprint believes clarification is needed, is whether cellular company ownership of other companies that hold PCS licenses is attributed to the cellular company. For example, assume that TCI, Time Warner, Cox, ComCast and Continental Cablevision formed a PCS consortium where each held 20 percent ownership. Also assume that US West owns 25 percent of Time Warner.

Does the fact that US West owns 100 percent of several cellular licenses result in attribution of those interests to the consortium containing Time Warner in the US West service area?

17. Id. at para. 61.

18. Id. at footnote 62.

In other words, is US West, a 25 percent owner of Time Warner, a 20 percent owner of a PCS consortium in violation of the less than five percent PCS attribution standard?¹⁹

D. ESMR Providers Should Be Subject to the Same Eligibility Rules as Cellular.

In the Regulatory Parity Rulemaking²⁰ the Commission proposes to classify Enhanced Special and Mobile Service ("ESMR") providers that are interconnected with the public network as Commercial Services.²¹ Sprint agrees with this classification. Sprint asserts that ESMR services will compete with cellular and PCS in terms of price, quality, and function.

Because ESMR will compete with cellular and PCS, Sprint believes that ESMR services should be subject to the same eligibility rules as cellular. Sprint asks the Commission to reconsider its decision and to include ESMR under the same eligibility standards as cellular.

**II. WHEN CELLULAR CARRIERS PROVIDE PCS THE
CELLULAR POPS COVERAGE SHOULD
COUNT TOWARD PCS COVERAGE
IN THE SERVICE AREA**

The Commission requires that 2 GHz PCS licensees offer service to one-third of the population within five years, two-thirds

19. Arguably, US West at 25 percent ownership of Time Warner x Time Warner at 20 percent ownership of PCS consortium = 5 percent attributed ownership.

20. In the Matter of Implementation of Sections 3(n) and 332 of the Communications Act Regulatory Treatment of Mobile Services, GN Docket No. 93-252, Notice of Proposed Rulemaking, released October 8, 1993 ("Regulatory Parity Rulemaking").

21. Id. at para. 36.

within seven years, and 90 percent within 10 years of being licensed.²²

Sprint does not object to requirements that PCS-like services be offered to customers as required by the Commission's schedule. However, in those instances where established cellular carriers gain PCS licenses, to the extent that PCS-like service is being offered, they should be allowed to count current cellular investment and area of coverage toward their PCS service requirements. Construction of totally redundant systems is not economically efficient and should not be required.

Sprint asks the Commission to clarify that the Commission requires only the offer of PCS-like service as described in the Allocation Order. It should not matter whether the PCS-like offering is through a redundant 2 GHz system or through a mixture of cellular and 2 GHz. What is important is providing service to end users. Sprint seeks clarification of this provision so that cellular carriers will have the flexibility to provide PCS service in the most economical manner.

III. ALLOWABLE PCS POWER LIMITS SHOULD BE INCREASED

Sprint seeks reconsideration of the Commission's decision establishing the maximum PCS power at 100 watts (e.i.r.p.) with an antenna of 300 meters.²³ Sprint agrees with the Commission

22. Allocation Order at para. 134.

23. Id. at para. 156.

"that many PCS concepts are at a nascent stage and establishing too restrictive a limit may impede the development of certain PCS offerings."²⁴

The Commission should provide sufficient power to PCS base station transmitters that new technologies may be accommodated. Sprint believes that the 100 watts (e.i.r.p.) power standard is too inflexible to accommodate newer radio transmitter technology such as TDMA and CDMA where several users simultaneously use the same transmitter. These systems use wider per-channel bandwidth, and thus require higher power per transmitter. However, because the transmitters are shared and use is spread over more bandwidth, the average per KHz is actually less.

Sprint recommends that the Commission recognize this change in technology by ordering an allowable increase in PCS power to 1600 watts (e.i.r.p.). Sprint believes this will facilitate lower cost construction, assist in the deployment of newer technology service, and will not harm existing microwave users. .

IV. CONCLUSION

Sprint seeks reconsideration of the Commission's PCS eligibility decisions that have an unintended disparate impact upon geographically dispersed cellular carriers that lack market concentration. Further, noncontrolling minority ownership of cellular systems up to a 20 percent level does not create market power

24. Id.

and is reasonable. The Commission must clarify the cellular attribution rules so that parties have more certainty as PCS consortia are formed. Finally, PCS power limits should be increased to facilitate use of newer technology.

Respectfully submitted,

SPRINT CORPORATION

By

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Its Attorneys

December 8, 1993

**Top 12 Cellular Carriers
Excluded to Attributed Pops Ratio
10% vs 20% of Market Pops**

	<u>Excluded Markets</u>	<u>Excluded MTA Pops</u>	<u>Attributed MTA Pops</u>	<u>Excluded to Attributed Pops Ratio</u>	<u>Difference</u>
Sprint					
10% of Market Pops	16	81,322,507	25,025,224	3.25	
20% of Market Pops	8	27,635,215	25,025,224	1.10	2.15
Sprint **					
10% of Market Pops	14	75,927,700	23,535,772	3.23	
20% of Market Pops	9	32,646,000	23,535,772	1.39	1.84
McCaw					
10% of Market Pops	23	142,977,604	98,193,227	1.46	
20% of Market Pops	22	141,093,605	98,193,227	1.44	0.02
GTE					
10% of Market Pops	23	111,006,008	59,895,727	1.85	
20% of Market Pops	20	95,846,911	59,895,727	1.60	0.25
PacTel					
10% of Market Pops	9	63,566,600	50,229,105	1.27	
20% of Market Pops	9	63,566,600	50,229,105	1.27	0.00
BellSouth					
10% of Market Pops	18	94,808,901	52,789,198	1.79	
20% of Market Pops	13	68,071,408	52,789,198	1.29	0.50
Bell Atlantic					
10% of Market Pops	8	72,160,602	47,184,436	1.53	
20% of Market Pops	8	72,160,602	47,184,436	1.53	0.00
SBCS					
10% of Market Pops	10	54,688,902	38,652,787	1.49	
20% of Market Pops	9	52,883,703	38,652,787	1.44	0.05
Ameritech					
10% of Market Pops	7	41,683,703	27,936,545	1.49	
20% of Market Pops	7	41,683,703	27,936,545	1.49	0.00
TDS					
10% of Market Pops	20	78,279,420	22,803,108	3.43	
20% of Market Pops	9	28,989,391	22,803,108	1.18	2.25
NYNEX					
10% of Market Pops	3	38,694,901	29,052,212	1.33	
20% of Market Pops	3	38,694,901	29,052,212	1.33	0.00
US West					
10% of Market Pops	11	50,636,400	21,516,776	2.36	
20% of Market Pops	9	29,120,802	21,516,776	1.35	1.01
ALLTEL					
10% of Market Pops	8	28,208,300	10,460,691	2.70	
20% of Market Pops	4	8,988,000	10,460,691	0.86	1.84

Note: The above numbers (excluding Sprint **) assume that cellular MSA and RSA markets fall entirely within a given MTA. Sprint ** was analyzed at the county level to reflect where cellular markets, and therefore pops, intersect MTA boundaries (i.e., certain cellular markets are located in more than one MTA).